Non-Resident Indian (NRIs) as well. In addition, Government have extended additional opportunities for NRIs which include (i) investment in domestic airlines upto 100% and (ii) investment by individual NRI beyond 24% in small scale industries provided they do not have a stake in any other industrial undertaking. NRIs are allowed also to make bulk investment for revival of sick units to the extent of 100%. They are also allowed to invest without any limit on non-repatriable basis in Indian companies and proprietary/partnership concerns subject to the investee company/firm not being engaged in agricultural/plantation activity, real estate business, chit fund or Nidhi company activities.

Policy on disinvestment of Government companies

209. SHRI C. RAMACHANDRAIAH: Will the Minister of FINANCE be pleased to state:

(a) whether Government have any concrete policy to disinvest Government companies;

(b) if so, the details thereof;

(c) whether Government desire to disinvest profit-making companies and Navaratna companies earlier than loss-making companies; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM): (a) and (b) The National Common Minimum Programme (NCMP) adopted by the Government outlines the policy of the Government with respect to the Public Sector, including disinvestment of Government's equity in Central Public Sector Enterprises (CPSEs). The salient features of NCMP in this regard are as follows:—

(i) The Government is committed to a strong and effective public sector whose social objectives are met by its commercial functioning. But for this, there is need for selectivity and a strategic focus. The Government is pledged to devolve full managerial and commercial autonomy to successful, profit-making companies operating in a competitive environment. Generally profit-making companies will not be privatised.

(ii) All privatizations will be considered on a transparent and consultative case-by-case basis. The Government will retain

existing "navratna" companies in the public sector while these companies raise resources from the capital market. While every effort will be made to modernize and restructure sick public sector companies and revive sick industry, chronically loss-making companies will either be sold-off, or closed, after all workers have got their legitimate dues and compensation. The Government will induct private industry to turn around companies that have potential for revival.

(iii) The Government believes that privatization should increase competition, not decrease it. It will not support the emergence of any monopoly that only restricts competition. It also believes that there must be a direct link between privatization and social needs like, for example, the use of privatization revenues for designated social sector schemes. Public sector companies and nationalized banks will be encouraged to enter the capital market to raise resources and offer new investment avenues to retail investors.

(c) and (d) Disinvestment decisions are taken by the Government on a case by case basis in accordance with the policy mentioned above. While chronically loss-making companies will either be sold off or closed, small portions of equity in profit-making non-navratna public sector enterprises are proposed to be disinvested in order to raise resources for the National Investment Fund.

Agreement on World Bank loan for Andhra Pradesh

210. SHRI C. RAMACHANDRAIAH: Will the Minister of FINANCE be pleased to state:

(a) whether any agreement has been reached by Government with World Bank for loan to Andhra Pradesh in recent months;

(b) if so, the terms and conditions laid down by the World Bank;

(c) the projects to be undertaken under this loan; and

(d) by when these projects are likely to commence?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Yes, Sir.